

MINUTES OF MEETING July 26, 2018

The regular monthly meeting of the Northampton Retirement Board was called to order by Chairperson Karpinski at 1:35 p.m. in City Council Chambers, Municipal Hall, 212 Main Street, Northampton, MA.

Members present were Joyce Karpinski, Shirley LaRose, Michael Lyons and Thomas Sullivan. Susan Wright was absent. Also present was Retirement Administrator David Shipka and Administrative Assistant Elsie Vazquez.

Visitors

None

New Business

The de Burlo Group was present to report on the second quarter investments. The portfolio returned 4.55% in the second quarter.

Stocks performed well at +7.97% compared to +3.43% for the S&P 500 this quarter. Bonds outperformed the index at -0.09% compared to the Barclay's index at -0.33%.

As was the case in the first quarter, the de Burlo Group attributed the continuing outperformance in equities to strategic weightings and good performance in individual stocks in health care and technology sectors.

At the end of the quarter the equity allocation was at approximately 56% and fixed income was at about 43%. Less than 1% was in cash.

At the end of the presentation the de Burlo Group exited the room.

The Board reviewed the second quarter budget report prepared by the administrator.

Regular Business

The Board accepted the following new members:

Jorge Rodriguez (Housing)

Natanya Ortiz (Housing)

Janis Levy (Senior Services)

Kimberly Park (Senior Services)

Jaime Williams (Police)
Allyson Leskovic (Collector/Treasurer)

The Board accepted the retirement applications for the following members:
None

The Board reviewed retirement allowances for the following retirees:
Scott Smith (School)

On a motion made by Mr. Lyons and seconded by Ms. LaRose, the Board voted unanimously to accept the aforementioned retirement allowance(s).

The Board reviewed the following deceased members/retirees/survivors:
None

On a motion made by Mr. Sullivan and seconded by Ms. LaRose, the Board voted unanimously to approve the minutes of the regular meeting held on June 26, 2018.

The Board reviewed and approved the following warrants:
Board and staff payroll warrant totaling \$11,979.74
Pension payroll warrant totaling \$876,392.58
Accounts payable warrant totaling \$99,131.35

The Board reviewed the following reports:
May Trial Balance
Transaction journal from the de Burlo Group, Inc for June 2018
PRIT Statement for June 2018

The Board reviewed the following wire transfers for the current month:
\$14,965.66 from PRIM to Peoples' United Bank (distribution)
\$420,000 from Peoples' United Bank to Florence Bank

The Board reviewed the treasurer's report on the Florence Bank account for June:
Bank statement: \$432,005.22
Outstanding disbursements: \$176,565.94
Adjusted bank balance: \$255,439.28
Outstanding receipts: \$19,570.69
Trial Balance end of month balance: \$275,009.97

The Board reviewed the following makeup/buyback requests:
None

The Board reviewed the following correspondence:
PRIM June Update

PERAC #20 PROSPER and Chapter 91A (earnings reporting for disability retirees)
PERAC #21 3rd Qtr Training memo
PERAC #22 Public records side letter provisions

Old Business

The Board reviewed several funding schedules prepared by Stone Consulting.

The Board had previously discussed the desire to lower the assumed rate of return from its current 7.5%. As discussed in May, to keep the current funding schedule length of 13 years, even at 7.5%, would require a substantial increase to the City's annual appropriations.

Although Ms. Wright could not be present today she had informed Ms. Karpinski that of the options Larry Stone had provided, she supported using a 16 year funding schedule with a discount rate of 7.375%, noting that the other schedules would be too costly for the City.

After a brief discussion, on a motion made by Mr. Sullivan and seconded by Mr. Lyons, the Board voted unanimously to adopt a 16 year funding schedule, at 3.43% amortization and with an assumed rate of return of 7.375%.

Other Business

None

Adjournment

On a motion made by Mr. Lyons and seconded by Mr. Sullivan, the Board voted unanimously to adjourn the meeting at 2:38 p.m.

The next regular meeting is scheduled for Thursday, August 23rd at 1:30 p.m. in Council Chambers.

Respectfully Submitted,

Retirement Administrator

THESE MINUTES WERE APPROVED BY THE RETIREMENT BOARD ON 8/23/2018

APPROVED:

_____ **Joyce Karpinski, Chairperson**

_____ **Shirley LaRose**

_____ **Michael J Lyons**

_____ **Thomas Sullivan**

_____ **ABSENT** _____ **Susan Wright**